

VZCZCXYZ0019
RR RUEHWEB

DE RUEHSK #0150/01 0601346
ZNR UUUUU ZZH
R 291346Z FEB 08
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 6965
INFO RUEHZN/EUROPEAN POLITICAL COLLECTIVE
RUEHUB/USINT HAVANA
RUEHCV/AMEMBASSY CARACAS 0051
RUEHVN/USMISSION USOSCE 1855
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

UNCLAS MINSK 000150

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E.O. 12958: N/A

TAGS: PGOV PREL PHUM ECON ENRG IR BO CU

SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - February 29, 2008

¶1. The following are brief items of interest compiled by Embassy Minsk.

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Civil Society

¶2. Opposition Leader Undertakes Brief Speaking Tour

"For Freedom" (FF) movement leader Aleksandr Milinkevich held an open-air meeting with 60 supporters in Vitebsk February 22 after authorities denied his request to hold the meeting in a movie theater there. Over 150 people attended another meeting with him in eastern Minsk February 27. Milinkevich also visited the towns of Gorodok and Novopolotsk the same day. People expressed their concerns to the activist over hikes in food and utility prices, newly enacted small business regulations, and nuclear power plant construction, and talked about upcoming parliamentary elections. Brest-based FF activists appealed the denial of a meeting to be held there February 26. Milinkevich commented on the denial saying it was the "authorities' problem, not mine."

13. Opposition Youth Cleared of Criminal Charges

Malady Front (MF) opposition youth Andrey Tenyuta learned February 24 that the Gomel BKGB office closed its criminal case against him. Tenyuta was charged in September 2007 with acting on behalf of an unregistered organization, but investigators found it "impossible" to finish the investigation. Tenyuta presumed there was not "enough evidence of his destructive activities."

14. Business Activists Barred From Kozulina Funeral

On February 27, Svetlogorsk small business activist Anatoly Zmitrovich and his two colleagues were stopped on their way to the funeral of Irina Kozulina by road police 20 miles outside Minsk. Police alleged that the driver of the vehicle had been driving drunk. The driver was ordered to appear at a district police department, but was later released without charges.

15. Small Business Activists Heavily Fined

A Minsk district court sentenced small business activists Aleksandr Tsetsuro and Viktor Krival each to BYR 1,750,000 fines (USD 820)

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February 27 for alleged disobedience of police orders. Tsetsuro's wife and son were also each fined BYR 1,050,000 (USD 490) on the same charges. Krival, sentenced to 15 days in jail for distributing leaflets on February 19, could not attend the trial. The police detained the four activists January 10 on their way to an entrepreneur picket in Slutsk.

16. Population Down, Divorce Up

The Ministry of Statistics and Analysis reported February 26 that the population of Belarus declined 0.3 percent during 2007, leaving Belarus with a total of 9,689,700 inhabitants as of January 1. In 2007, 52.8 percent of all deaths resulted from circulatory diseases, 13.7 percent from tumors and 10.8 percent from causes not related to illness. Divorces increased by 13.6 percent, with 403 of every 1,000 marriages ending in divorce.

Domestic Economy

17. Output from Free Economic Zones Increases

Belarus' Statistics Ministry announced February 25 that the 260 businesses registered in the country's six free economic zones increased output by USD 1.7 billion or 21.1 percent in 2007. Exports -- primarily furniture, food products, plastics, packaging, and aluminum materials -- rose 19.5 percent and totaled USD 998.7 million, including USD 776.9 million in exports to Russia.

International Trade

18. Belarus, Russia Agree on 2008 Energy Export Levels

The Council of Ministers of the Union State announced an agreement February 22 on oil product exports for 2008 as part of the Union State fuel balance. Belarus will export 2.018 million tons of gasoline, 3.887 million tons of diesel fuel, 4.164 million tons of heating oil and 249,000 tons of fuel for jet engines. In 2008, Russian gas exports to Belarus will increase by 400 million cubic meters from the 2007 level to 21.6 billion cubic meters. Russia will also deliver 140,000 tons of black coal and 21.5 million tons of crude oil to Belarus this year. Discussions on electric power supplies are still underway.

19. Automotive Exports up 42.6 percent

According to the State Customs Committee, Belarus experienced a significant increase in automotive exports last year. The Committee announced February 25 that Belarusian automotive exports rose to USD 2.1 billion, an increase of 42.6 percent. Tractor exports rose 51.8 percent to USD 900 million, hauler exports increased 45.8 percent to

USD 334 million, and truck exports went up 34 percent to USD 955.626 million. Exports of parts/components and combustion engines rose 27 percent and 54 percent respectively.

International Relations

¶10. Iranian Ambassador Notes Progress in Relations

At a news conference February 27, Iranian Ambassador to Belarus Abdulhamid Fekri noted "significant" progress in relations between the two countries over the last four years, noting the exchange of head of state level visits in 2006 and 2007. He cited the beginning of joint operations in oil fields in Iran, noting that the Belarusneft oil production enterprise opened an office in Teheran and was developing projects. He expressed conviction that cooperation in oil exploration, development and production was "very beneficial," and that the two countries could also establish cooperation in the natural gas and petrochemical spheres. Ambassador Fekri also announced that Iran Khodro Industrial Group was ready to invest between "USD 30 million and USD 40 million" in the Belarus-based plant that started assembling Iran's Samand cars in the summer of 2006, and that work was under way to open a bank with Iranian capital in Belarus.

¶11. Cuban Delegation Visits Belarus

A delegation from Cuba led by Minister of Government Ricardo Cabrisas visited Belarus February 26 to 28 to discuss ways to strengthen ties between the two countries. In a meeting with Belarusian Prime Minister Sergey Sidorskiy, Cabrisas expressed interest in "boosting three-party cooperation" among Cuba, Venezuela, and Belarus. During the visit, the Cuban representative signed an agreement to purchase 100 buses manufactured by the Minsk Automobile Factory (MAZ) and discussed possible purchases of Belarusian farm machinery and trucks.

¶12. Quote of the Week

Justice Minister Viktor Golovanov discussed the need to review laws governing psychics, presumably to protect the reputations of legitimate practitioners of the profession:

"We are not seeking to ban their activity. But I would like to say that among this category of individuals, there are simply plenty of fraudsters who cheat people."

Stewart